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TIMOTHY A. MCKEEVER

EMAIL: tmckeever@hw&b-lpv.com

April 18, 2016

Via E-Mail and US Mail

Office of Complaints Examination and Legal Administration

Attn: Donna Rawls, Paralegal

Federal Election Commission

999 E Street

Washington DC 20463

Email: drawls@fec.gov & jjordan@fec.gov

Re: MUR 7032

Our File No. 4079-29257

Dear Sir or Madam,

We represent Senator Lisa Murkowski in connection with the above referenced matter. The complaint alleges that an official trip taken by Senator Murkowski and other members of the Senate Energy and Natural Resources Committee, their staff members and Secretary of Energy Ernest Moniz was in some fashion a campaign expense and should have been paid for by Senator Murkowski's campaign committee. The complaint does not point to any particular aspect or element of the trip as involving any campaigning, fundraising or political activity. It simply alleges that "Senator Murkowski arranged military transport...because Senator Murkowski is running for re-election."

The complaint is completely without foundation and the commission should determine the complaint does not set forth any possible violation of the Federal Election Campaign Act of 1971 as amended and close the file.

The trip in question was to allow a United States Senate committee to conduct a field hearing. On February 15, 2016 the Senate Energy and Natural Resources Committee ("the Committee") conducted a field hearing in Bethel, Alaska.¹ The purpose of the hearing was to examine energy and technology innovation and deployment –opportunities for Alaska's energy future. Witnesses included the United States Secretary of Energy Ernest Moniz, Alaska

¹ Bethel is a community of approximately 6200 residents located about 400 miles west of Anchorage on the Kuskokwim River. (<https://www.commerce.alaska.gov/dcra/DCRAExternal/community/Details/2c6b7ef0-abb6-4b5a-b041-606be4389f11>) Bethel is regional hub providing services to its residents and the dozens of smaller villages in the region. The cost of a gallon of gasoline is about \$5.75 (id.) Bethel is accessible only by air or river.

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Governor Bill Walker, Alaska State Representative Bob Herron and a number of other witnesses representing a number of different Alaska energy interests.² Six members of the Committee attended the hearing including Chair Lisa Murkowski (R-Alaska), Ranking Member Maria Cantwell (D-Washington), Angus King (I-Maine), John Barasso (R-Wyoming), Shelley Moore Capito (R-West Virginia) and Steve Daines (R-Montana).

In conjunction with the field hearing, the Committee conducted an informal listening session in Bethel with local residents and visited the small village of Oscarville to observe first-hand the energy needs and uses in rural Alaska.³

Transportation to Bethel from Anchorage was provided by the Department of Defense, transportation back to Anchorage was in part by commercial aircraft (due to a minor mechanical issue) and in part by the Defense Department. Local travel in Bethel and to and from Oscarville was provided by the local community. The committee members and witnesses were in Bethel and Oscarville for approximately 6 hours.

No campaign activities on behalf of Senator Murkowski, (or any other senator) occurred during the trip to Bethel and Oscarville. There was no fundraising, no advocacy of the election or defeat of any candidate, no campaign materials were distributed, no campaign buttons or materials were displayed, no meetings were held at which any campaign activity or plans were discussed. No campaign photographs or images were obtained.

The complaint does not allege that any specific campaign activity occurred on this trip. It merely asserts that the entire trip was somehow a misuse of federal dollars and that the hearing could have been conducted by teleconference. The trip was official business. It allowed a congressional committee to conduct a hearing and inspection of matters clearly within the committee's jurisdiction. There is no evidence at all that the travel was arranged because Senator Murkowski is seeking re-election. In fact the travel was arranged so the committee could conduct legitimate and appropriate official business.

Alaska is remote from Washington D.C. and faces issues and problems much different from many other states. It has a small population located in many small communities which are separated by great distances and are not accessible in most cases by road. The energy needs in those communities are substantial because of the weather and transportation issues. There are no energy grids in rural Alaska -each village must generate its own electricity. There are no pipelines -each community must store its own bulk petroleum supplies which are replenished only during the summer ice-free months. To fully understand the unique energy needs of those

² A complete list of the witnesses who testified and an audio recording of that hearing is available on the website of the Committee at <http://www.energy.senate.gov/public/index.cfm/hearings-and-business-meetings?ID=4797DF9C-024C-468B-9BAB-16770D75F7BA>.

³ Oscarville is located about 20 miles downriver from Bethel. The State of Alaska Division of Community and Regional Affairs estimates it has a total population of about 59. <https://www.commerce.alaska.gov/dcra/DCRAExternal/community/Details/776f04e5-8590-484e-a895-03496588c1a3> people. No permanent roads connect Bethel and Oscarville. The Senators, staff and witnesses were driven to and from Oscarville in vehicles on a winter ice road on the surface of the Kuskokwim River.

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communities, seeing them is necessary. The trip allowed the Secretary of Energy to visit Alaska and to see for himself the energy issues that exist. It allowed 6 members of the U.S. Senate to understand the living conditions, environment and issues of rural Alaskans. None of that could have been accomplished by a teleconference. The fact that five other members of the Senate travelled on the trip is ample evidence that the trip was helpful to them in the performance of their jobs.

Attached are media reports of the hearing and the trip. None suggest any campaign activity of any type occurred. Attached also is an affidavit from a representative of the Lisa Murkowski for US Senate Committee, the principal campaign committee for Senator Murkowski. That affidavit establishes that the trip did not include any campaign related activity of any kind.⁴

In summary the complaint does not provide any evidence that any campaign activity occurred during this trip. It failed to establish that a violation of the FECA may have occurred with respect to the trip. No campaign activity of any kind occurred during the trip. The complaint is without merit and the matter should be closed.

Sincerely,


Timothy A. McKeever

Enclosures: as noted.

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⁴ We are mindful of the request in your cover letter that "statements should be submitted under oath." However the undersigned is advised by the Office of Legal Counsel of the United States Senate that pursuant to Rule XI of the United States Senate, members and employees of the Senate may not provide testimony or evidence without permission of the full Senate. Seeking such permission in connection with this matter would appear to violate 52 U.S.C 30109(a)(4)(B) and 30109 (a)(12)(A). Therefore we are unable to provide sworn statements from the Senators or staff members who participated in this trip.

88-140444-001

Murkowski field hearing highlights rural Alaska's unique energy issues, solutions

By Rachel Waldholz, APRN - Anchorage - February 16, 2016



(Photo by Dean Swape/KYUK)

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When Alaska Senator Lisa Murkowski chose Bethel for a field hearing of the Senate Energy Committee, which she chairs, she had some specific points to make.

Murkowski brought five senators and U.S. Energy Secretary Ernest Moniz to the YK Delta on Monday to show her colleagues how sky-high energy costs can cripple economic development and even serve as a barrier to the installation of water and sewer systems.

But, she also hoped to highlight what the rest of the U.S. can learn from rural Alaska.

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Murkowski didn't just bring her guests to Bethel. She made sure they drove down the frozen Kuskokwim River to the nearby village of Oscarville, population just about 60.

The group gathered in the school – in the small high school classroom, which, Murkowski pointed out, has another use.



(Photo by Dean Swope/KYUK)

"This is the gym, we are in the gym right now," she said.

It's also where the kids practice NYO.

"Who can do this? Why don't you show us how this works?" Murkowski said.

Freshman Trevor Mesak stepped forward for a one-foot high kick, and aced it as the crowd cheered.

But Murkowski was focused on a much more serious show and tell. The school, she pointed out, is the only place in the village with running water and a flush toilet. And Oscarville spends too much money on energy.

"These communities around here are a hundred percent powered by diesel. A hundred percent powered by diesel," she said. "You're not going to see Oscarville tied into a natural gas pipeline."



(Photo by Dean Swope/KYUK)

The answer, she says, has to be using the resources that are here.

"So what do we have? We've got the Kuskokwim River; we've got the wind; we have the sun. This is going to be the future of our small remote communities," Murkowski said. "They will be their own micro-grids. We will give definition to the term here in Alaska."

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And Murkowski says, that's the silver lining in Alaska's high rural energy costs. The state has become a testing ground for innovative small-scale energy systems.

Technology being pioneered out of necessity in remote villages – like how to incorporate wind power into a micro-grid that isn't connected to any larger transmission system – can be modified for use all over the country.

Murkowski's major energy bill would encourage those systems. That bill is awaiting a final vote in the Senate. Her co-sponsor, Washington Senator Maria Cantwell, the committee's ranking Democrat, was traveling with her Monday.

Speaking later in the day, at the committee's formal field hearing, Energy Secretary Ernest Moniz echoed Murkowski's point: saying micro-grids aren't just for isolated communities.

"During Hurricane Sandy in New Jersey, a critical transportation corridor was wiped out, because the big grid had gone down," Moniz said. "And so the idea now is, that transportation system is now a micro-grid. So if the big grid goes down, that critical transportation corridor can still function."



(Photo by Dean Swope/KYUK)

The committee also heard from a host of Alaskans, including Jack Hebert of the Cold Climate Housing Research Center in Fairbanks, who asked Moniz not to overlook the expertise the state has developed when it comes to energy in the far North.

"We have the talent here in Alaska," Hebert said. "We do find it very, very frustrating when we see others come here with the solutions, when we see the solutions applied every day by Alaskans in Alaska."

While the day's focus was on alternative energy, Governor Bill Walker couldn't resist the opportunity to bring up the state's more traditional energy resources.

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"We need access to our land, we need access to our resources, we need to fill that pipeline," Walker said. "You know, we can self-heal if we have access to our resources."



(Photo by Dean Swope/KYUK)

Walker told the senators that the state needs part of the Arctic National Wildlife Refuge opened to oil drilling, to bring more oil into the trans-Alaska pipeline.

"I may be a bit off-topic for this committee, but when I'm sitting before 6 percent of the US Senate, I'm going to say, what I'm going to say," Walker said.

But if there was one theme to the day, it was the sheer difficulty of living with the region's high transportation, fuel and electricity costs. The senators and Moniz heard from local leaders who encouraged them to go check out the prices at the local AC grocery store and ticked off the cost of flights to villages.

Mike Hoffman of the Association of Village Council Presidents said the status quo is simply unacceptable.

"This continues to leave our families to make a very tough decision every day in our region: food or fuel," Hoffman said.

For rural Alaska, he said, energy innovation is not a choice: it's a necessity.

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Energy

U.S. senators, top energy official travel to tiny Alaska village, hold Bethel hearing

Lisa Demer | February 15, 2016

Photos: Senate field hearing in Bethel

PLAY



Sens. John Barrasso, R-Wyoming, left, and Lisa Murkowski, R-Alaska, talk as six U.S. senators and U.S. Energy Secretary Ernest Moniz arrived on an Alaska Air National Guard HC-130 Monday morning Feb. 15, 2016, in Bethel, Alaska, for a field hearing on energy as well as trip to the village of Oscarville.

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Lisa Demer / ADN

BETHEL – A hefty contingent of six U.S. senators, the U.S. energy secretary, Gov. Bill Walker and others traveled Monday in a convoy of more than a dozen vehicles on the frozen Kuskokwim River to the village of Oscarville, population 50. They got an up-close look at a community with big needs and solutions in the works.

The field trip in Southwestern Alaska came on a day capped by a Bethel field hearing on energy, an issue woven into almost every aspect of life, from the fuel that powers skiffs in the summer to the heated cables that prevent water pipes from freezing – in the communities that have modern water systems.

Sen. Lisa Murkowski, chairwoman of the Senate Energy and Natural Resources Committee, called the field hearing to examine energy innovation in high-cost areas of the country, especially Alaska.

The senators heard about energy efficient housing and a new project to build wooden trusses locally, saving on transportation. They were told about the promise of ideas just coming into their own, such as microgrids, local energy grids that in Alaska are islands of energy production, with nearby villages sharing one power plant. And they heard support for renewables such as solar and wind energy, plus simple, longstanding programs such as home weatherization.

Alaskans pay nearly double the national average on energy costs, Jack Hebert, chief executive of the Cold Climate Housing Research Center in Fairbanks, told the senators. He urged creation of a national Arctic energy lab in Alaska. In Fairbanks, his center now is running entirely off alternative energy – even when it's minus 20, he said.

The senators and their aides flew Monday morning in an Alaska Air National Guard HC-130 from Joint Base Elmendorf-Richardson to Bethel. The group included Republican Sens. Murkowski, John Barrasso of Wyoming, Steve Daines of Montana and Shelley Moore Capito of West Virginia, along with Washington Democrat Maria Cantwell – the committee's ranking Democrat -- and Angus King, an independent from Maine.

Also on the trip: U.S. Energy Secretary Ernest Moniz, a nuclear physicist with wild white hair, whose office released a new study showing the promise of solar energy in Alaska and announced a new \$7 million tribal energy program.

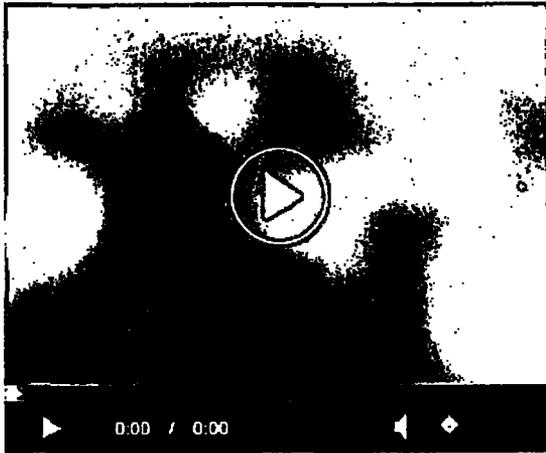
The logistics were complex with so many high-level officials in such a remote place. A Blackhawk helicopter, with a full crew of medics, was on standby in case anyone became ill on the trip to Oscarville. A doctor from the National Naval Medical Center in Bethesda was on hand.

Murkowski had wanted to take the senators to Oscarville by snowmachine but was warned off for lack of snow. But the group, most of whom hadn't been to Bethel before and some of whom were first-timers to

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the state, still saw a bit of real Alaska, from the tiny weathered houses and wooden boardwalks to residents checking subsistence fishing nets under the ice as trucks rumbled down the Kuskokwim super highway.

"That was an Alaskan motorcade there," Daines said after arriving in Oscarville. "I'm a Montanan so I'm used to remote places. But I can say I've never driven on a river."



In Oscarville, which doesn't have running water except at the school, Mike Hoffman, executive vice president of the Association of Village Council Presidents, pointed out a steam house.

"Sweat your way clean," Murkowski told her colleagues.

Oscarville already is the focus of a multiagency group trying to help residents improve life there but never before have so many people -- and so many important people -- come to the village at once. Neither Murkowski nor Walker had been there before. Residents said they were both thrilled and overwhelmed.

"The population just doubled," Myron Naneng, president of the Bethel-based Association of Village Council Presidents, joked.

Trevor Mesak -- 15, one of 16 students at Oscarville's small school -- performed Yup'ik dances with other students for the visitors, then shot hoops with Walker and state Rep. Bob Herron, D-Bethel.

The high-level visitors left a big impression.

"We matter, a lot," he said.

At the Yukon-Kuskokwim Health Corp. Elders Home in Bethel, the group ate lunch catered by local Tiffany Tony that included mashed potatoes grown by Bethel's Tim Meyers, Kuskokwim silver salmon caught by the local boys' group home and braised rabbit. The meat was flown in from Anchorage.

At a Crowley gas station in the hub community, unleaded was selling for \$5.64 a gallon -- a bit cheaper than in Oscarville. Senators heard repeatedly how fuel prices are locked in for the season and won't change until new fuel arrives on barges in spring.

The U.S. Department of Energy has had only a lone employee in Alaska. Moniz, on his fifth trip to Alaska but his first to Bethel, said in an interview that he is adding three staff members to the state.

Walker told the senators that Alaska is both the nation's most energy-rich state and the one with the highest energy costs. He talked about the state's long-hoped-for natural gas pipeline from the North Slope to Cook Inlet and also made another push for opening the Arctic National Wildlife Refuge to oil development.

One of the visiting senators, West Virginia's Capito, asked Walker how the natural gas would get to remote communities.

"I didn't realize, since it's my first visit here, how far apart everything is, no roads, no existing infrastructure," Capito said.

Walker said liquefied natural gas could be barged on rivers or driven on trucks.

Hoffman, of the Association of Village Council Presidents, highlighted another big project for the region -- creating a new transportation corridor of some type between the Yukon and Kuskokwim rivers. If that happens, LNG could be barged down the Yukon River and eventually end up in Kuskokwim River villages, he said.

Southwestern Alaska includes the poorest communities in the United States, but people have a rich culture of living off the land and the water, of speaking their Native language, the senators were told.

Ralph Anderson, president of Bristol Bay Native Association, traveled from Dillingham for the hearing. He said he knew some might question why people live in such a rough place.

"It's really simple," he said. "This is home."

RELATED:

US Energy Secretary Moniz talks about renewable energy, Alaska LNG
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**BEFORE
FEDERAL ELECTION COMMISSION
WASHINGTON DC**

IN RE: LISA MURKOWSKI US SENATE)
MUR 7032)

AFFIDAVIT OF STEPHEN WACKOWSKI

STATE OF ALASKA)
THIRD JUDICIAL DISTRICT) ss.

STEPHEN WACKOWSKI, being first duly sworn upon oath, deposes and states as follows:

1) I am employed by the Lisa Murkowski for US Senate 2016 Campaign ("the Campaign") as the campaign manager. In that capacity I oversee the activities of the campaign, its staff and volunteers

2) I am aware that on February 15, 2016, Senator Murkowski traveled to Bethel and Oscarville, Alaska for official business in conjunction with a field hearing and related activities conducted by the Senate Energy and Natural Resources Committee.

3) The Campaign played no part in that trip to Bethel and Oscarville. We were not involved in the planning or scheduling of that trip. The Campaign did not make any travel arrangements and did not pay for any of the expenses of the trip.

4) There were no campaign related activities in connection with that trip. No fundraising occurred during the trip, no campaign signs, banners, flyers or other materials were transported, distributed or displayed during the trip, no meeting occurred involving campaign

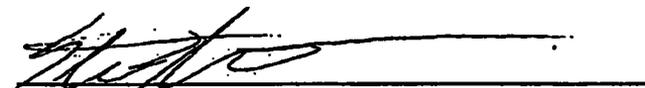
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discussions, activities or planning, no rallies or gatherings advocating the election of Senator Murkowski occurred. No campaign employees or volunteers participated in any activities during that trip. The Campaign did not issue any press releases or statements in connection with the trip and has not and will not use any photos, video or audio tapes taken during the trip for any campaign purpose. To my knowledge there was no discussion of Senator Murkowski's campaign or the election at all during the trip.

5) It is my understanding that the trip included Senator Cantwell who is a Democrat from Washington and Senator King who is an Independent from Maine as well as other senators who are Republicans. The Secretary of Energy who is a member of President Obama's cabinet was on the trip. In other words, the trip was non-partisan.

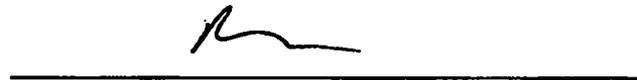
6) It is further my understanding that the trip was entirely official business, to allow the Senators to hear from Alaskans about the energy challenges the state faces and to see what life in rural Alaska is like. No campaign related activities of any kind occurred during the trip.

Dated this 18 day of April, 2016


Stephen Wackowski

SUBSCRIBED AND SWORN TO before me this 18 day of April, 2016 at Anchorage, Alaska.


Nick Walker, Notary Public
My Commission Expires Sep 27, 2017


Notary Public in and for the State of Alaska
My Commission Expires: Sept. 27, 2017



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STATEMENT OF DESIGNATION OF COUNSEL
 Please use *one* form for each Respondent/Entity/Treasurer
 FAX (202) 219-3923

MUR # 7032

NAME OF COUNSEL: Timothy A. McKeever and Stacey C. Stone

FIRM: Holmes Weddle & Barcott, P.C.

ADDRESS: 701 W. 8th Ave., Ste 700, Anchorage, AK 99501

TELEPHONE- OFFICE (907) 274-0666

FAX (907) 277-4657 Web Address www.hwb-law.com

The above-named individual and/or firm is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

18 Apr 2016 [Signature] Campaign Manager
 Date Respondent/Agent -Signature Title (Treasurer/Candidate/Owner)

RESPONDENT: Hon. Lisa Murkowski and Lisa Murkowski for U.S. Senate
 (Committee Name, Company Name, or Individual Named in Notification Letter)

MAILING ADDRESS: P.O. Box 100847, Anchorage, AK 99501
 (Please Print)

TELEPHONE- HOME (907) 274-0666

BUSINESS () _____

Information is being sought as part of an investigation being conducted by the Federal Election Commission and the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. This section prohibits making public any investigation conducted by the Federal Election Commission without the express written consent of the person under investigation

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